

Report to the  
San Luis Obispo County  
Board of Supervisors

**GROWTH MANAGEMENT STRATEGIES AND  
POLICIES FOR THE FUTURE OF  
SAN LUIS OBISPO COUNTY**

Volume I

Prepared by  
The Growth Management Advisory Committee  
June, 1989

June 28, 1989


Board of Supervisors  
San Luis Obispo, CA


Honorable Board:

The "Blue Ribbon" Growth Management Advisory Committee is pleased to transmit to you our recommendations for growth management in San Luis Obispo County. This report concludes nearly ten months of work by the committee to fully evaluate the issues associated with growth management so that we might recommend a set of strategies for your consideration that we feel will provide an effective framework for management of the future growth and development of San Luis Obispo County.

This report comes to you as a consensus recommendation from the committee membership on behalf of the organizations they represent. As such, all members of the committee who participated throughout the entire process have signed the attached signature page indicating their support for the recommendations contained in the report. We hope you and the citizens of the county will carefully review these recommendations and that you will move forward to implement them as soon as possible. Thank you for the opportunity to have served you and the citizens of the county in this effort.

Respectfully submitted,

  
Edward J. Ward, Chairperson

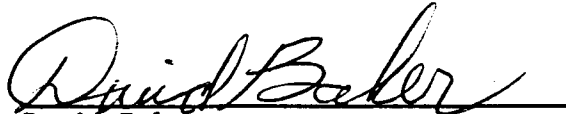
  
Hazel Jones, Co-Chairperson

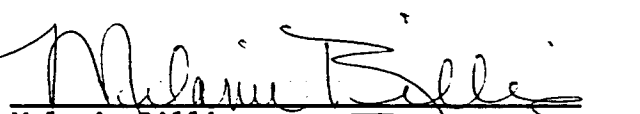
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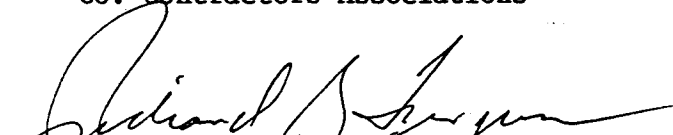



GROWTH MANAGEMENT ADVISORY COMMITTEE


We, the undersigned members of the San Luis Obispo County Growth Management Advisory Committee as appointed by the County Board of Supervisors, support the recommendations contained in our report to the Board entitled "GROWTH MANAGEMENT STRATEGIES AND POLICIES FOR THE FUTURE OF SAN LUIS OBISPO COUNTY" dated June 28, 1989.


  
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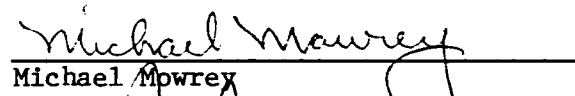
  
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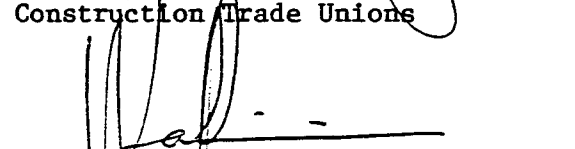
  
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The following individuals were appointed to the Committee but did not participate in the preparation of this final report:

Dave Garth - County Chambers of Commerce  
Dale Reddell, Rose Maree Sheetz - Mayors Committee  
Nancy Wood (resigned) - Central Coast Environmental Network  
Gary Larson (resigned, moved out of county) - County Planning  
Commission (no replacement selected)



## EXECUTIVE SUMMARY

### REPORT TO THE SAN LUIS OBISPO COUNTY BOARD OF SUPERVISORS

from the

### GROWTH MANAGEMENT ADVISORY COMMITTEE

The purpose of this report is to inform the Board of Supervisors of San Luis Obispo County of the results of the deliberations of the Growth Management Advisory Committee, appointed by the Board of Supervisors in May, 1988.

The report contains a listing of the most pressing problems faced by the County that mandated the development of these growth management proposals, goals for the future and recommendations for action by the Board of Supervisors.

The submission of this report constitutes the completion of phase one of the work of the Committee. Phase two shall include when the Board of Supervisors of San Luis Obispo County takes formal action on Committee recommendations. Until that time, the Committee shall remain in session to assist the Board in evaluating our report and proposals.

#### PROBLEM ASSESSMENT

- A. Both existing and future infrastructure are inadequate to meet needs.
  - 1. Many sewer systems are at or near capacity or are in need of repair or replacement.
  - 2. In many areas of the County, the supply of water for current and future needs is insufficient. Water quality is also at risk.
  - 3. Inadequate roadways and traffic control systems have resulted in unacceptable levels of traffic congestion.
- B. Our air quality is in jeopardy, and in some areas has reached or exceeded state and federal standards.
- C. There is a serious shortage of affordable housing.
- D. There is a shortage of services necessary for a growing population such as health, safety, fire and police protection, and child care.
- E. Our residents are unable to live near their places of employment because of a growing jobs/housing imbalance.

- F. Lack of adequate government planning has resulted in crisis management, which is often costly and inefficient.
- G. The future viability of our production agricultural land is in jeopardy.

#### CONSENSUS GOALS FOR THE FUTURE OF SAN LUIS OBISPO COUNTY

- 1. The unique scenic beauty, rural character, healthful quality of life, open space and varied life styles should be preserved.
- 2. We should live in harmony with our environment, maximizing the use of recycling and renewable energy strategies to optimize retention of our resources.
- 3. There should always be an adequate supply of affordable housing.
- 4. We wish to maintain our high standards of excellence in the County's schools, recreation and cultural facilities, and government.
- 5. New growth should pay its share of the costs of growth, but growth should be resource limited, not resource driven.

#### GROWTH MANAGEMENT ADVISORY COMMITTEE RECOMMENDATIONS

After many months of exploration and deliberation, the Growth Management Advisory Committee has developed a set of proposals for implementation by the San Luis Obispo County Board of Supervisors. These proposals are designed to help achieve the consensus goals and objectives as developed by the members of the Committee.

The recommendations of the Growth Management Advisory Committee constitute a carefully balanced package of approaches for implementing a growth management strategy in San Luis Obispo County. In reaching a consensus, it was necessary to fashion a set of recommendations that addresses the concerns and needs of the individual interest groups represented on the Committee. To select one recommendation to the exclusion of others would violate the integrity of that consensus.

#### OBJECTIVES

- 1. Resources, infrastructure and services should be synchronized with new development.
- 2. There should be a cap on growth to ensure an environmentally sound, economically diverse and sustainable future for ourselves and our children.
- 3. There should be coordination among jurisdictions to ensure that impacts resulting from growth are mitigated proportionately and fairly.

4. The growth pattern for the 21st century should be directed with the intent of maintaining a jobs/housing balance and preservation of rural character.
5. There should be a growth management policy established that avoids the excesses of land speculation while both ensuring equity to landowners and meeting the interests of all our citizens.

#### RECOMMENDATIONS

1. The Board of Supervisors should undertake the steps necessary for form a County Regional Growth Management Authority. Its task would be to coordinate a regional approach to planning between and among jurisdictions, and resolve conflicts between jurisdictions in the event of disputes over land use policies and their cross-jurisdictional impacts.

As the first step, the Board should appoint and fund an Interim Advisory Committee to develop a charter for the Authority and begin the task of developing a consensus among jurisdictions in the County in designing and empowering that Authority. Membership on the Interim Advisory Committee should include representatives of the cities and reflect the diversity of community interest represented on the current Growth Management Advisory Committee.

2. The Resource Management System (RMS) of the County General Plan should be revised and strengthened to require that necessary, mandatory, remedial actions be taken at each phase in the process. These steps would include conservation measures, administrative actions on additional infrastructure construction, and reducing the rate of growth in the affected area depending on the level of severity attained.
3. The Board of Supervisors should adopt an interim ordinance that sets a maximum annual number of building permits for new residential units in the unincorporated area of the County sufficient to accommodate an annual household population increase of not more than 2.5% for fiscal year 1989-90. For following years, the 2.5% shall be considered a population cap and the annual growth rate shall be established in a public hearing conducted by the Board of Supervisors.
4. The Board should adopt an interim ordinance imposing a temporary moratorium on issuing building permits on lots in antiquated (substandard) subdivisions and on further approval of subdivision and parcel maps in rural area outside urban and village reserve lines pending a study and analysis of growth patterns in the County. The outcome of the study will be a settlement pattern strategy for determining where growth will occur and accompanying policies and incentives for implementing that strategy.

The Board should adopt an Agriculture and Open Space Element of the County General Plan distinguishing between production agricultural lands, and other open space and rural lands. The Plan implementation would be integrated into the settlement pattern strategy described above.



5. The Board of Supervisors should establish mechanisms for addressing affordable housing needs and the jobs/housing imbalance including establishment of a countywide housing authority. These mechanisms should be coordinated with the activities of the proposed County Regional Growth Management Authority and appropriate county agencies designated to implement the growth management strategies.
6. Within two years, the Board of Supervisors should adopt an Infrastructure Element of the County General Plan for each community under the County's jurisdiction and identify appropriate funding mechanisms to implement this element.
7. The Board of Supervisors should appoint an economic development commission to assess how we can improve the quality and variety of jobs available to our residents.

The Board of Supervisors should adopt a policy of encouraging use of local labor force for future residential and commercial development projects in order to provide job opportunities to County residents that will keep salaries and generated tax dollars in San Luis Obispo County.

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## PREFACE

### A NEW REALITY

A new growth reality is emerging in San Luis Obispo County. It has to do with larger economic and social changes that are affecting population and economic growth patterns. Many businesses are so called "footloose," meaning they can locate in a variety of different places. Individuals and families also have more choices and they can and do "vote with their feet". This trend is referred to as reverse migration, people and businesses leaving metropolitan areas and moving to non-metropolitan areas. This phenomenon is occurring in a number of rural regions across the country. Unlike past migration patterns, this one is motivated not so much by economic opportunity as by quality-of-life choices.

While not of the magnitude of previous urban and suburban migrations, reverse migration represents a very substantial force for those rural regions experiencing it. This migration is land consumptive and decentralized, thus greatly changing the physical characteristics of communities. Moreover, this trend is expected to continue well into the 21st century.

Until recently, growth rates were moderate in rural areas. Mechanisms for handling growth were adequate. Then high inflation, coupled with unprecedented demand, fueled speculation and an expanded development response. Now, even though inflation has been tempered, growth rates have remained high. Government and communities have not been able to keep pace with these demands.

San Luis Obispo County is a very desirable place to live and it will continue to attract new settlers. However, growth has brought impacts on our resources and services. Rural areas are being valued in ways that are different from traditional agricultural production. It is readily apparent that an unlimited in-migration might undermine the quality of the very amenities that people are seeking by relocating. On the other hand, there are positive economic and social opportunities inherent in the new reality that could improve choices for people in terms of livelihood, living environments and self-expression. A balancing of costs and benefits is necessary.

The challenge is to minimize the negative consequences of growth while accommodating the new reality in ways that respect our land and resource base, protect the character of our towns and enhance the quality-of-life for all residents. The "bottom line" choice is either we define the terms by which our new reality evolves or it will be done for us. Our Committee feels this requires a proactive approach, including new government mechanisms, a vision of what we want our county to be like and a willingness to share the responsibility of making the hard decisions.

While we are big enough to be experiencing growth problems, we are small enough to resolve them and over time to positively direct change. But we are going to have to get smarter in terms of what is needed to manage change, agreeing upon how we can approach growth and its management.



## INTRODUCTION

The San Luis Obispo County Growth Management Advisory Committee was created by the Board of Supervisors in 1988 in response to public concerns regarding County land use policies. The magnitude of population increases and related impacts which have occurred in the County in recent years had raised serious questions as to whether current County practices were adequate to deal with growth related problems. The Committee's charge was to review existing programs and decision-making mechanisms and to recommend policy changes or other appropriate actions to the Board which would enable the County to deal more effectively with the impacts of future growth.

Committee members represent a broad spectrum of organizations and interest groups throughout the County. Discussions at initial meetings were extremely heated as members debated what prescriptions would cure growth-induced problems. Cooperation among these groups was seen as close to impossible because of historical disagreements on other public policy issues. However, after a few unproductive working sessions, members began to realize that they were in agreement on the nature of the problems confronting San Luis Obispo County and concurred that the timing was ripe for addressing these issues before the problems became irreversible and unmanageable.

This recognition that there was an agreement on goals for the future was the turning point in the Committee's deliberations. The challenge facing the Committee became to develop proposals for managing growth that would win the concurrence of all the interest groups appointed by the Board.

The Committee has met bi-monthly since September, 1988, and has discussed a wide range of issues and growth management strategies. Four subcommittees were formed to develop detailed proposals regarding countywide inter-governmental cooperation, the County's Resource Management System, housing and economic development, and agricultural lands and settlement patterns. The Committee as a whole then reviewed the subcommittees' work. Staff from the county Department of Planning and Building provided technical assistance and support throughout the process.

This document is the Committee's formal report to the Board of Supervisors. The report is divided into two sections: Volume I, the results of the Committee's collective deliberations on various aspects of growth management; and Volume II, appendices and supporting documents. Volume II includes a series of findings, which summarize various aspects of the impacts of poorly managed growth and related problems facing the County at present and in the future; a description of the Committee's vision or goals for the future; and finally, the Committee's recommendations to the San Luis Obispo County Board of Supervisors. Volume II contains many of the documents that were reviewed by the Committee, including data on growth in the County, legislation from other counties and states, journal articles on technical issues and supporting work documents prepared by or for the Committee.

It is the consensus view of the Committee that implementation of the recommended policies and actions would solve many of the growth-related problems now facing the people of San Luis Obispo County and would provide a framework for effective growth management in the future.

## RESULTS OF COMMITTEE DELIBERATIONS

### FINDINGS

#### Resource Degradation and Service Deficiencies

Almost 50 per cent of the current and future growth-induced problems identified by the Committee pertained to concerns about the quality and availability of resources and community services. San Luis Obispo County is experiencing an accelerated population growth rate with concomitant land development that has resulted in significant adverse impacts on County resources and services in many communities. Our planning and spending has not kept pace with the numbers and direction of this growth.

The quality and quantity of our resources and services are at risk. Many sewer systems are at or near capacity and need to be repaired, replaced or extended beyond their current capacity. Many of our water systems are in a similar state of disrepair and are insufficient to meet either current or future needs. Air pollution in some areas of the County has reached or even exceeded state and federal air quality standards. Inadequate roadways and traffic control systems and public transit have resulted in traffic congestion which has generated grave concerns about the adequacy of our existing and future infrastructure.

Moreover, there are shortages of those public services that are necessary to accommodate a growing population, including health care facilities, child care programs, fire and police protection, and the handling and disposal of wastes. Collectively, these impacts have contributed to what many citizens consider to be a serious diminution of what is referred to as the "quality of life".

#### Jobs/ Housing Imbalance

The rise in the cost of housing was seen by the Committee as a major problem affecting families of low and moderate incomes. The affordable housing that does exist tends to be located in areas of the county that are a considerable distance away from our major sources of employment. The resulting jobs/housing imbalance aggravates the resource and service problems previously described. Moreover, an increasing number of children and grandchildren of long-time County residents are unable to find housing within their budget and are considering moving elsewhere to start their families.

The Committee understands that the housing issue is impacted by conditions and developments in other regions of the state and nation. However, members believe that a comprehensive program to manage future growth must include effective responses to the cost and location of affordable housing.



### Loss of Agricultural Land and Open Space

San Luis Obispo County is justifiably proud of its agricultural industry and its traditions. Protection of a "rural lifestyle" is a common goal of our citizenry. However, the County has yet to adopt an agricultural element to its General Plan. In the meantime, critical agricultural lands are either being encroached upon by urban uses or converted into large housing developments without adequate consideration either for the appropriate use of the land or for the settlement pattern that emerges. This growing "urban sprawl" and the loss of valuable open space is one of the most critical issues facing our County.

In addition, staff presentations to the Committee revealed that the increase in the development of "antiquated" (substandard) subdivisions has affected the County's ability to direct growth according to the provisions of the General Plan, provide necessary resources and services and has resulted in the proliferation of "ranchettes". This development has interrupted the rural landscape and open space patterns that are considered the most desirable features of the physical environment in the County.

At the same time, Committee members are concerned about providing equitable solutions to owners of agricultural lands. The current policies which foster speculation and provide large windfall profits need to be replaced with strategies that provide incentives and compensation for owners in the context of what the community feels is the accepted settlement pattern for future growth in the County.

The Committee believes that the lack of an accepted public policy which distinguishes between production agricultural lands and other rural land categories with plans for their future administration is a problem which should be remedied as part of an overall growth management strategy.

### Lack of Coordination Among Jurisdictions

At the onset, Committee members agreed that County government, acting alone, could not solve all the County's problems related to growth. The seven incorporated cities in the County, independent districts and existing regional agencies (such as the Air Pollution Control District, (APCD), the Regional Water Quality Control Board, and the San Luis Obispo Area Coordinating Council), also play a major role in shaping the future of the region. The Committee's review of decisions concerning proposed new major commercial and residential developments, as well as actions taken with respect to the repair and expansion of water and sewage facilities, revealed a lack of coordination and communication among governmental agencies .

Planning decisions that provide a desired or necessary tax base improvement for one jurisdiction have often resulted in increased traffic congestion and aesthetic impacts on neighboring jurisdictions. Nor is there an uniformly accepted and functioning approach for identifying problems among agencies with overlapping jurisdictions.

In the view of the Committee, the lack of coordination between the governmental entities on critical decisions affecting resources and infrastructure is a major obstacle to the effective management of population growth.

#### Need for Greater Economic Diversity and Job Stability

The Committee also found that the County lacks a coordinated effort to evaluate the effects of rapid growth on the local economy and must consider how to foster economic development that is compatible with the area's human and natural resources. A recent analysis of economic trends in California demonstrated that San Luis Obispo County was expected to continue to expand its tourist-based economy with less emphasis on new commercial and industrial jobs. Serious concerns emerged about the need to balance the lower paying jobs that are likely to be created by tourist based industries with jobs in other sectors and economic pay scales.

An examination of recent job trends also indicates that the rapid growth that has taken place in the County has generated jobs and capital for non-resident companies and workers at the expense of local enterprise. We have imported the problems of escalated growth and exported the profits. Growth management policies need to address these trends with an emphasis on ensuring a stable job market for County residents.

Finally, the Committee found that poor growth management has resulted in serious instabilities in the construction and real estate industries. In the absence of adequate long range planning, the building industry is subject to "boom and bust" cyclical fluctuations. A comprehensive growth management strategy needs to address this problem, both in its initial stages and in its long-term implementation.

#### Reactive Rather than Proactive Land Use Policies

There were many examples of "crisis management" by government agencies that were cited by Committee members in support of a more rational system of land use planning in San Luis Obispo County. Drastic steps were required to correct deficiencies after major developments were in place or after resource allocations had already been made. The residential and commercial development along Oak Park Boulevard that exceeded the capacity of the existing road infrastructure, the moratorium on growth imposed by the State Water Quality Control Board in Los Osos in response to an overloaded septic tank system, the 2000-plus waiting list in Templeton for water hookups, and a waiting list that goes out to 1997 in Cambria for water are but a few of the glaring examples of reactive rather than proactive policies by communities in the County.

The mere fact that growth moratoriums have been imposed in several of our cities is an indication that too much was allowed to occur before government officials or citizens acted.

A growth management system needs to be adopted that provides resources and infrastructure in place to accommodate growth. The system should also modulate the allocation of resources to avoid rapid consumption and quality deterioration.

## VISION OF THE COUNTY IN THE FUTURE

The concept of a vision for the future of San Luis Obispo County originated at a very early meeting of the Committee. As discussions proceeded, it became obvious that the vision represented different things to different members.

What hopes for the future do members of the Growth Management Advisory Committee and the community they represent embrace?

For many members, the vision of the future San Luis Obispo County is represented in intangible ideals:

- harmony among all communities
- preserving a healthful quality of life
- varied life styles
- rural character
- guaranteeing the same advantages to posterity

For some, the future is best expressed in terms of physical features in the landscape or tangible dimensions of their lifestyle:

- preservation of critical landscapes
- open space, parks
- buffers to development
- free-flowing traffic
- housing styles that fit the environment
- compactness of urban development

For others, the vision of the future can be described as the various qualities of good government and responsible decision-making; no more "cart before the horse" government actions:

- regional cooperation in planning for growth
- joint data gathering, sharing and utilization
- matching growth with necessary resources and services
- respecting the General Plan
- requiring that new growth pay its share of the costs of growth
- balancing jobs with housing

The sum total of these individual perspectives constitutes the Committee's Vision for the Future. Adoption of this package of recommendation is the first step towards achievement of the Vision.

## RECOMMENDATIONS TO THE BOARD OF SUPERVISORS

The Committee recommends that the Board of Supervisors adopt the following policies and actions. The Committee believes that the implementation of these recommendations is critical if we are to promote effective growth management throughout the County.

THE COMMITTEE WISHES TO EMPHASIZE THAT THESE RECOMMENDATIONS ARE A PACKAGE OF ACTIONS, EACH OF WHICH CANNOT BY ITSELF SOLVE THE PROBLEMS THAT HAVE BEEN IDENTIFIED BY THE COMMITTEE DURING ITS DELIBERATIONS. There is no single, magical solution that can cure the problems that have already resulted from poorly managed growth, nor prevent problems that will emerge if accelerated population growth is allowed to go unchecked .

Each recommendation is a building block in an overall, comprehensive growth management strategy that can be effectively implemented within a reasonable timeframe. THE CORNERSTONE OF THIS OVERALL STRATEGY IS A COUNTY-WIDE REGIONAL APPROACH TO GROWTH MANAGEMENT. EACH SUCCEEDING RECOMMENDATION PROPOSED BY THE COMMITTEE DEPENDS UPON THE IMPLEMENTATION OF GROWTH MANAGEMENT POLICIES AT THE REGIONAL LEVEL.

Committee members believe that if we act quickly, appropriately, and with resolve, the residents of our County can correct existing deficiencies and prevent the problems of unbridled growth that our neighbors in the state and around the nation have experienced. The recommendations of the Committee are not Draconian as are those that we are witnessing in the Los Angeles basin. The time is ripe for action and change without seriously impacting any of the key interests that constitute our county's population.

It is also important to stress that a consensus agreement on this package of recommendations was achieved because key portions of individual recommendations were constructed to meet the particular concerns and needs of the individual community interests represented on the Committee.

The Committee has formulated seven sets of recommendations. Each of these has been organized into a separate component of this report. When appropriate, supporting documents, data or references are provided in Part B, Appendices.

## RECOMMENDATION I: ESTABLISHMENT OF A REGIONAL PLANNING AGENCY

The Board of Supervisors should appoint and fund an Interim Advisory Committee comprised of representatives of each of the cities in San Luis Obispo County, County government representatives and representatives of the diverse interest groups such as were selected to serve on the Growth Management Advisory Committee, to formulate an approach for establishing a permanent Regional Growth Management Authority.

This Interim Committee will be charged with preparing a charter for a permanent agency whose goal will be to coordinate planning efforts among jurisdictions throughout the County and resolve conflicts should they arise.

### RATIONALE FOR A REGIONAL GROWTH MANAGEMENT AUTHORITY

- a. Decisions made in one area or municipality of the county concerning growth, infrastructure, resource management and environmental policy affect other areas of the County and other cities. The ongoing competition for revenue base results in one area growing or containing growth at another's expense. Revenues are generated for local benefit; impacts are exported. There currently are no existing mechanisms to enable jurisdictions to cooperatively manage their growth and development even if they chose to do so. Consequently, short-sighted parochial interests prevail at the expense of the mutual benefits of a larger view.
- b. Special districts generally operate as independent quasi-governments, making land use and growth decisions without a larger resource and settlement pattern perspective and strategy.
- c. Countywide institutional mechanisms for communication and coordination among agencies with broader authority, e.g. Local Agency Formation Commission (LAFCo), San Luis Obispo Area Coordinating Council (COG), Air Pollution Control District (APCD), Regional Water Quality Control Board (RWQCB), are either non-existent or inadequate to handle growth management issues at a regional level. Furthermore, there is no vehicle for integrating policy when decision-making in one resource or planning arena overlaps another.
- d. There is a growing affordable housing problem as well as a jobs/housing imbalance which can only be addressed regionally.
- e. The public perceives that local government's response to undesirable growth rates and impacts is generally ineffective. Hence, they are unwilling to fund additional infrastructure improvements or to solve other problems without reasonable assurances that these solutions are sustainable and meaningful.
- f. The public views its "neighborhood" as extending beyond their city or planning area boundary and feels helpless to stop the decline in available resources, urban sprawl and shrinking open space landscape.

## GOALS FOR A REGIONAL AUTHORITY

Regional cooperation is necessary to plan wisely for future growth, with comprehensive planning guidelines that coordinate the efforts of local governments at all levels. It is not enough for each jurisdiction to manage its own growth well. In the view of the Growth Management Advisory Committee, all local entities should have integrated plans which complement each other in order to achieve publicly accepted goals. Mutually agreed upon procedures are necessary to effectively manage the region's collective growth.

A regional body or authority is needed to assist in the development of a regional plan, to monitor compliance and to referee disagreements among the participants. Such an authority would also cooperate with other entities in the coordination of regional housing, transportation and economic development. Initially, the authority would rely upon cooperative agreements with existing governmental entities. As it gains experience and establishes a successful track record, the authority would assume responsibility for planning and decision-making that is more appropriately conducted by a single agency.

It is not the intent of proponents of a regional authority to usurp local power, rather it is their goal to deal directly and pro-actively to enhance benefits to all jurisdictions. Regional cooperation would entail providing incentives for participation. For example, a jurisdiction that accepted additional residential growth could expect to receive a greater share of regional funds for infrastructure or services. Joint preparation of environmental documents would avoid duplication and provide a cost savings for all participants.

It is hoped that a regional approach will enable citizens of the county to fashion a vision of the future for growth and adopt policies and make decisions in accordance with that vision (see Recommendation IV). Our goal is to preserve individual community character and promote a diversity of lifestyles available to county residents, while minimizing land use decisions that negatively impact neighboring communities. A regional approach can provide each jurisdiction with more options for meeting the diverse needs of its residents and might solve problems that now seem futile to address.

## RECOMMENDED APPROACH

The Growth Management Advisory Committee recommends that the Board of Supervisors appoint an Interim Advisory Committee with the task of formulating an approach for the establishment of a permanent Regional Growth Management Authority. Below is an outline of a proposed structure and duties of both the Interim Advisory Committee and projected permanent organization.

### Interim Advisory Committee

Membership:   7 representatives from the cities  
                  2 representatives from the County  
                  6 citizens from countywide interest groups  
                  15 total membership

Each city should set its own criteria for selection of its representatives from among elected officials or the general public, as should the Board of Supervisors. In identifying a countywide interest group, it is preferable for the Board to permit each organization to name its own representative as opposed to the Board naming a given individual.

#### Tasks:

By March 31, 1990, the members of the Interim Advisory Committee shall:

1. Develop a mission statement for a Regional Growth Management Authority.
2. Prepare a charter for the organization including membership, powers and responsibilities.
3. Draft an agreement for establishment of a Joint Powers Agreement (JPA) among the participating jurisdictions.
4. Develop recommendations for funding mechanisms to support the work of the permanent organization.
5. Engage the community in a discussion of goals for growth management in San Luis Obispo County as preparation for development of a countywide regional growth management plan.
6. Support state legislation that provides the authority and mechanism for establishing a regional growth management authority or enlist the support of local legislators in preparing appropriate legislation.

#### Funding:

County government should take the lead in providing funding for the deliberations of the Interim Advisory Committee including staffing, consultants and research costs. The County might also seek funding from foundations to support the this prototype regional approach for a non-metropolitan region.

In addition, participating jurisdictions may be asked to make proportionate contributions once the effort is underway.

#### Staffing and technical assistance:

- existing staff from the County and cities
- consultants on specific topics
- an independent executive level manager

The Interim Advisory Committee may convene a "think tank" of experts to assist in its discussions on topics which might include:

- legal issues pertaining to a Joint Powers Agreement and roles and responsibilities of regional bodies with land use authority in other jurisdictions across the country; growth management approaches funding for regional organizations; regional projects.

Committee members would be briefed on the results of studies undertaken by the County that are relevant to this work, including the studies undertaken to develop a long-range settlement pattern; establish a Resource Management System data base; design jobs/housing balance strategies; and generate an Infrastructure Element for the county General Plan (see recommendation VI).

#### County Regional Growth Management Authority (Permanent Agency)

Below is an outline of suggested responsibilities and authority for a permanent County Regional Growth Management Authority which would operate under a Joint Powers Agreement. It will of course be the role of the Interim Advisory Committee to develop the details.

Some of the responsibilities might be implemented immediately upon adoption of a Joint Power Agreement, while others would be phased in after completion of necessary studies or after ordinances and enabling legislation is in place.

#### Responsibilities and powers:

- a. To develop a countywide regional growth management plan that allows each jurisdiction to pursue its own growth objectives and retain the community character that its residents desire while minimizing impacts on neighboring jurisdictions.
- b. To develop growth limitation agreements among all local government jurisdictions and to enforce these agreements.
- c. To adopt a regional resource management system similar to that recommended for the County. The Authority would begin to integrate existing local data systems with the ultimate goal of developing a single regional data analysis system.
- d. To coordinate planning of major capital improvements (for transportation, waste, water etc.) that is consistent with the resource base and in accordance with a regional growth plan.
- e. To develop a strategy with all participating cities and then serve as the implementation authority for the regional settlement pattern policies and goals, including:
  - facilitating agreements between county and cities as to the location of development projects with countywide or sub-county significance;



- administering growth management mechanisms that emerge from the settlement pattern studies (Transfer of Development Credits (TDC), cluster development, market incentives) for unincorporated areas and cities where agreements have been negotiated;
  - developing joint partnerships with the private sector to carry out land development projects for implementing the settlement pattern strategy,
- f. To set goals for the provision of an adequate supply of affordable housing in each jurisdiction by coordinating the planning and funding of new affordable housing units with the Regional Housing Authority (see Recommendation V); and formulating strategies with public and private sector agencies to bring availability of jobs and housing into better balance throughout the region.
  - g. To cooperate with private and public agencies to promote economic development that is compatible with local human and natural resources and which maximizes economic benefits for area residents and businesses.
  - h. To resolve conflicts between jurisdictions over competing land use and resource management decisions.
  - i. To establish a permanent public forum to obtain input on its goals and policies.

Possible Funding Options:

1. Jurisdictions would adopt a fee on all property title recordings; this would directly tie development/growth with funding for the County Regional Growth Management Authority.
2. Funds from member jurisdictions.
3. Other development fees.
4. Grants from private foundations or state and federal sources to promote this unique effort.
5. One-half per cent sales tax to be applied to fund the programs administered by the Authority, e.g. infrastructure, mitigation, housing.

## **RECOMMENDATION II: STRENGTHENING THE RESOURCE MANAGEMENT SYSTEM (RMS)**

By December, 1989, the Board of Supervisors should amend Framework for Planning, Part I of the Land Use Element of the county general plan, to require that the Resource Management System (RMS) include mandatory actions to be taken at each identified Level of Severity (LOS). The Board should also authorize the collection of the necessary data to sustain the operation of the RMS as newly envisioned.

### **RATIONALE FOR STRENGTHENING THE RESOURCE MANAGEMENT SYSTEM (RMS)**

- a. The current data base upon which the RMS system depends is inadequate for making informed decisions. Communication both among county departments and agencies and among outside agencies and service districts is informal and voluntary. Without good data, RMS will remain conceptual rather than functional.
- b. The current resource deficiency criteria that determine a given Level of Severity are vague, resulting in many opportunities for subjective interpretation and therefore inaction.
- c. The current RMS provides for optional action by the Board of Supervisors at each LOS. Without definitive actions being required at each stage, RMS remains nothing more than an information processing network. Potential crises are not adequately addressed or averted.
- d. There have been many instances of crisis resource management in San Luis Obispo County in recent years. Government authorities have waited to take action to address a resource deficiency until the only response is to impose a moratorium or initiate other drastic measures. The cost of taking action after a crisis is reached far exceeds the cost of taking remedial action along the way.
- e. There needs to be a process in place that clearly identifies a potential resource problem, establishes thresholds that cannot be exceeded, defines actions that can be taken at various points in time to avoid further deterioration and provides for the necessary resources or services. This process should serve as the cornerstone for implementing a rational growth plan.

### **GOALS FOR STRENGTHENING THE RMS**

The Committee believes that a process can be created that synchronizes resources and infrastructure with new development. Funding for the provision of resources should be assured to meet growth needs, not in response to growth that has already occurred and must be accommodated and mitigated.

GROWTH IN SAN LUIS OBISPO COUNTY SHOULD BE RESOURCE LIMITED, NOT RESOURCE DRIVEN. OUR GOAL IS TO ENSURE THAT THE NECESSARY RESOURCES AND SERVICES ARE IN PLACE TO ACCOMMODATE THE AMOUNT OF GROWTH THAT HAS BEEN PLANNED. HOWEVER, BECAUSE RESOURCES ARE AVAILABLE DOES NOT MEAN THAT WE SHOULD GROW TO THE LIMITS OF OUR RESOURCES.

We hope to avoid future resources crises by instituting a proactive process for resource management. This would involve taking appropriate actions, including conservation and slower phasing of growth over time based upon adequate information as to the status of available, water, sewage capacity, road capacity, air quality and schools. In the future, we would hope that additional resources (such as waste disposal facilities, parks, cultural facilities, and aesthetics) would be added to the RMS evaluation process.

#### RECOMMENDED APPROACH

Below are proposed changes to the operation of the current Resource Management System (RMS). This approach suggests that changes to the operation of the RMS will occur in two phases. In Phase 1, the County will amend its own operation and attempt to cooperatively involve non-county agencies as much as possible. During Phase 2, the operation of the RMS system will be expanded to include formal participation of other jurisdictions. This assumes that the County Regional Growth Management Authority will be operational.

In summary, key changes would include:

1. Creation of a Resource Management System Task Force with tasks and responsibilities similar to the Subdivision Review Board. Comprised of technical staff, the Task Force will evaluate resource data and develop recommendations on Levels of Severity and resulting actions to the Board of Supervisors, and Boards of Directors of Community Service Districts. Initially, the Board of Supervisors would mandate participation of affected County departments.

After the County Regional Growth Management Authority is established, or earlier if feasible, the functioning of the RMS should be expanded to include other jurisdictions.

2. Consolidating the two-step Level of Service (LOS) process of Advisory Memo and Resource Capacity Study into one. Because the task force will be comprised of technical staff, a verified LOS will have completed the first two steps of the Resource Capacity Study, namely capacity determination and when the next LOS can be expected. Further, because the actors involved will have a stake in the outcome of the RMS process, they will likely have identified what steps they can take to slow down the rate of resource depletion.

3. LOS criteria would be modified as described in this section and a series of mandatory actions that the Board must take are proposed. Moreover, it is critical that once LOS II and III occurs, the Board should adopt immediate interim measures to avoid repetition of the Cayucos syndrome, -where talk of resource problems cause prospective builders to rush in for their permits before the moratorium was enacted.
4. Revise the existing RMS process shown in Figure 1 to that shown in Figure 2.

#### DATA COLLECTION

The Board should mandate county department participation, through an ordinance, and sign Memoranda of Agreement with outside agencies, to generate the required data to make RMS work through formation of the Resource Management System Task Force. Issues associated with the Task Force include:

- standard reporting format
- timing of capacity report
- dispute arbitration
- incentives for compliance - penalties for noncompliance, i.e., carrots and sticks
- funding commitment from the Board

Phase 1 membership of the RMS Task Force would include:

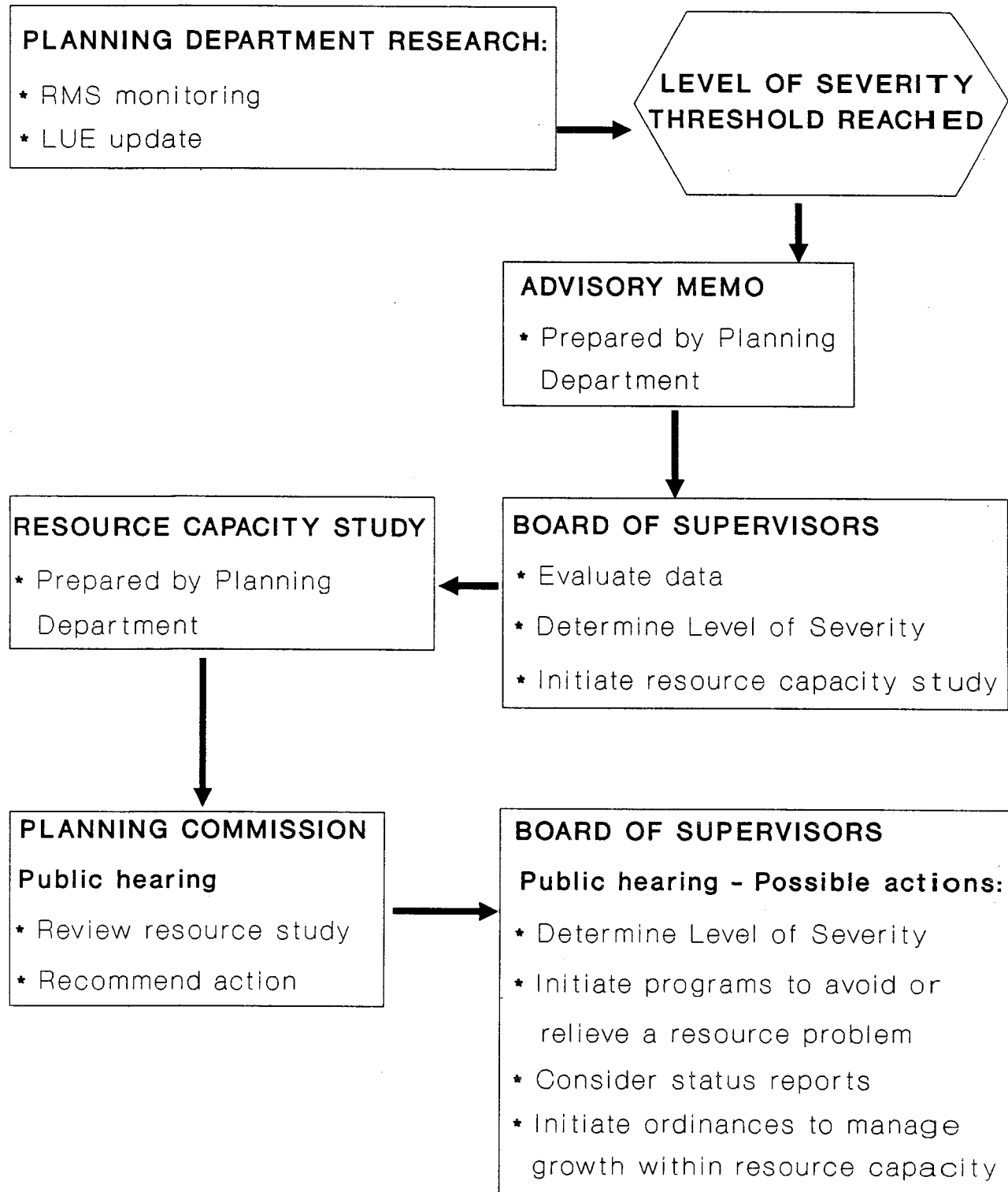
- County Administration
- Planning and Building
- Engineering
- Environmental Health
- Environmental Coordinator
- Air Pollution Control District

Phase 2 would add to the above group:

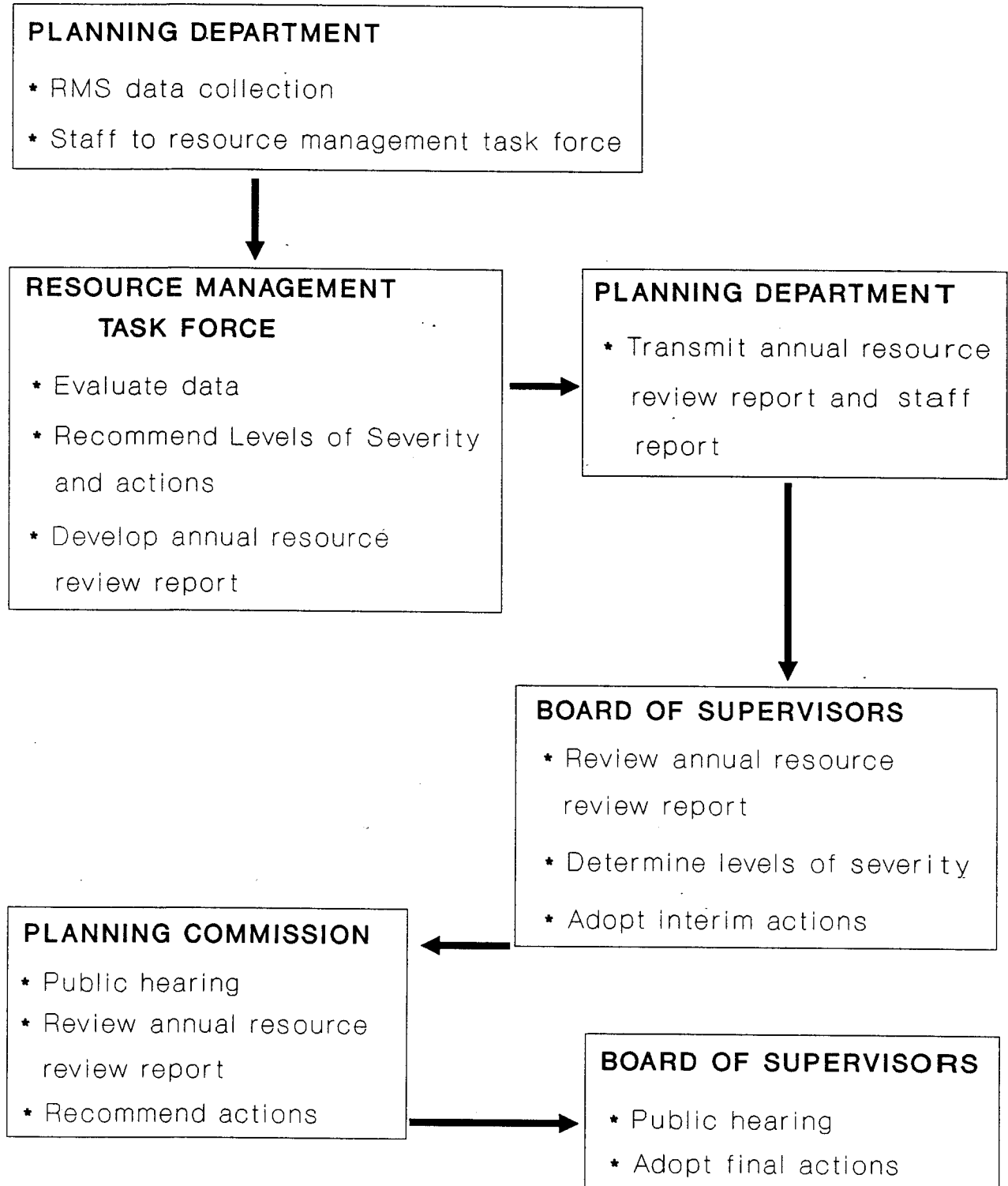
- All seven cities
- Community Service Districts
- Regional Water Quality Control Board
- Coastal Commission
- Caltrans

The Task Force shall meet periodically to provide, review, and evaluate resource capacity information. The scheduling of these deliberations should be coordinated with the budget process of the County and other agencies to ensure that any necessary actions can be taken in a timely fashion. The committee shall draft recommendations on Levels of Severity and needed actions for periodic report to the Board of Supervisors. Additionally, the Task Force shall develop an annual Resource Review Report for Board action or for the action of the County Regional Growth Management Authority when it is formed. The report should include:

Figure 1  
EXISTING RESOURCE MANAGEMENT SYSTEM PROCESS



**Figure 2**  
**PROPOSED RESOURCE MANAGEMENT SYSTEM PROCESS**



- revised resource data
- evaluation of the data
- recommendations for each community and planning area for levels of severity and resulting necessary actions
- revisions to the Resource Deficiency Criteria for Level of Severity (Table F in Framework for Planning)

The RMS process would then be changed as follows:

1. Department of Planning and Building shall compile information from responsible agencies and with the Resource Management System Task Force evaluate the data and make recommendations to the Board.
2. When the documentation supports a Level of Severity (LOS) finding, that information shall be presented to the Board within 30 days.
3. LOS II and III require immediate interim Board action to ensure orderly development.
4. After the Board takes interim action, further steps should be referred to the Planning Commission for their recommendations.

#### LEVEL OF SEVERITY (LOS) CRITERIA

The following redefines the various LOS to correspond to the recommended action requirements listed below.

Level I Occurs at the point where resource use will reach capacity in approximately the time required to expand capacity (including planning, funding, and construction of a project where appropriate).

Level II Occurs when the current rate of resource usage will deplete the resource before its capacity can be increased.

Level III Occurs when resource capacity is reached.

#### ACTION REQUIREMENTS

Level I When the Board finds that a Level of Severity I exists, the following shall occur.

- a. Prior to the annual budget process, the Department of Planning and Building shall review the Capital Improvement Program (CIP) of the affected agency, city or county department for the necessary project to avoid worsening the Level of Severity and

forward recommendations to the County Administrative Office (CAO) and the County Auditor.

If the CIP does not show diligent progress toward funding the necessary project within one year from the finding of a Level of Severity I, the CAO and County Auditor shall recommend to the Board of Supervisors that they adopt the following actions or others as necessary:

1. Restrictions or conditions on budget allocations to an affected department, if applicable, that shift priorities to the project.
2. Restrictions on funding, such as discretionary loans, to affected districts if applicable.
3. Restriction on approvals of capital projects for the affected agency.
4. In the case of special districts, recommend to LAFCO denial of any annexations that increase demand for the affected resource.
5. A Level of Severity II, if the project cannot be constructed before resource capacity is exceeded.
6. The Board will impose conservation measures within the service area.

Level II When the Board finds that a Level of Severity II exists, the following shall occur.

The Board of Supervisors shall adopt land use policies that respond to a delay in funding for a necessary project including, but not limited to, the following:

- a. Manage the rate of resource depletion within the affected community or area to extend the availability of the resource until such time as the project will provide additional resource capacity.
- b. Initiate appropriate financing mechanisms to recover the project cost including, but not limited to, capital improvement bonds, assessment districts, developer fees, etc.
- c. Use RMS information to evaluate the appropriate scale and timing of discretionary projects within the remaining resource capacity to determine whether they should be approved.



- d. Enact restrictions on further land development in the area that is affected by the resource problem.
- e. Enact adjustments to land use categories so that they will accommodate no more than the population which can be served by the remaining available resource, or redirect growth to communities or areas that have available resource capacity.
- f. Impose stringent conservation measures within the service area.

Level III When the Board finds that a Level of Severity III exists, the following shall occur.

A moratorium on land development shall be enacted in the area that is affected by the resource problem until such time that the project provides additional resource capacity to support such development.

### RECOMMENDATION III ADOPTION OF AN ANNUAL GROWTH RATE

#### RATIONALE FOR ADOPTION OF AN ANNUAL GROWTH RATE

- a. The average annual growth rate in our cities over the past nine years has been in excess of 3% per year, fluctuating from a low of 1.86% in 1982-83 to a high of 4.18% in 1987-88 (see Figure 3).
- b. The average annual growth rate in the unincorporated county (including institutional population) over the past nine years has been in excess of 4%. During this time, the average annual growth rate in the unincorporated household population (excluding the institutional population) has been 3.9%, varying from a low of 2.45% in 1980-81 to a high of 5.93% in 1984-85.
- c. A great many of our residents, including Committee members, perceive these growth rates as too high and too widely fluctuating. Also, we believe this fast paced growth has brought changes that we have not been prepared to handle.
- d. We are now seeing signs of problems resulting from increased growth including impacts on our resources, physical environment and quality of life.
- e. A recent countywide survey indicated that our residents feel that local governments are not doing enough to respond to this growth spurt and would support managing growth more directly.

#### GOALS FOR ADOPTION OF AN ANNUAL GROWTH RATE

Our growth should be sustainable, that is, San Luis Obispo County should have incremental growth that allows service providers adequate lead time to plan and provide for necessary services, resources and infrastructure.

We should have a process that is continually re-evaluating growth and its impacts to ensure that we are maintaining our quality of life goals.

Our goal is to control the future of our County, not let external forces dictate what our future will be.

FIGURE 3

SAN LUIS OBISPO COUNTY POPULATION STATISTICS

CITY	1980	1981	1982	1983	1984	1985	1986	1987	1988	1989	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89
ARROYO GRANDE	11,290	11,708	12,018	12,160	12,743	13,292	13,270	13,311	13,733	14,057	3,702	2,652	1,182	4,792	4,312	-0,172	0,312	3,172	2,342
ATASCADERO	16,232	16,604	17,224	17,685	18,205	18,950	19,901	20,896	22,190	22,725	2,292	3,732	2,682	2,942	4,092	5,022	5,002	6,192	2,412
PASO ROBLES	9,163	9,761	10,598	10,863	11,697	12,704	13,764	14,709	15,492	16,392	6,532	8,572	2,502	7,682	8,612	8,342	6,872	5,322	5,812
GROVER CITY	8,827	8,954	9,076	9,228	9,685	10,022	10,179	10,622	11,024	11,471	1,442	1,362	1,672	4,952	3,482	1,572	4,352	3,782	4,052
MORO BAY	9,064	9,222	9,277	9,435	9,606	9,806	9,838	9,819	9,977	10,133	1,742	0,602	1,702	1,812	2,082	0,332	-0,192	1,612	1,562
PISMO BEACH	5,364	5,382	5,446	5,687	5,790	5,992	6,536	6,946	7,104	7,566	0,342	1,192	4,432	1,812	3,492	9,082	6,272	2,272	6,502
SAN LUIS OBISPO	34,252	34,759	35,239	35,660	36,407	37,378	38,037	38,282	39,858	41,027	1,482	1,382	1,192	2,092	2,672	1,762	0,642	4,122	2,932
TOTAL INCORPORATED	94,192	96,390	98,878	100,718	104,133	108,144	111,525	114,585	119,378	123,371	2,332	2,582	1,862	3,392	3,852	3,132	2,742	4,182	3,342
TOTAL UNINCORPORATED	62,080	63,674	66,712	69,091	71,654	76,527	80,566	83,553	85,070	88,570	2,572	4,772	3,572	3,712	6,802	5,282	3,712	1,822	4,112
UNINCORPORATED HOUSEHOLD	55,122	56,475	59,295	61,803	64,160	67,964	69,816	71,870	74,153	77,841	2,452	4,992	4,232	3,812	5,932	2,722	2,942	3,182	4,972
TOTAL COUNTY	156,272	160,064	165,590	169,809	175,787	184,671	192,091	198,138	204,448	211,941	2,432	3,452	2,552	3,522	5,052	4,022	3,152	3,182	3,662
CALIFORNIA (1)	23,668,049	24,265,400	24,783,000	25,308,900	25,779,900	26,358,000	27,001,000	27,652,900	28,314,500	NA	2,522	2,132	2,122	1,862	2,242	2,442	2,412	2,392	NA

NOTES:

(1) State totals are as of July 1 each year. City and county totals are January 1 estimates.

Source: California State Department of Finance

## RECOMMENDED APPROACH

The Board of Supervisors should adopt an interim ordinance that sets a maximum annual number of building permits for new residential units in the unincorporated area of the County sufficient to accommodate an annual household population increase of not more than 2.5% for fiscal year 1989-90. For following years, the 2.5% shall be considered a population cap and the annual growth rate shall be established by the Board of Supervisors based on the most recent population data from the California Department of Finance, the best available data on housing occupancy, and the resource availability in the various planning areas of the County as determined by the Resource Management System of the San Luis Obispo County General Plan.

The Board shall conduct a public hearing in the fourth quarter of each fiscal year to determine the housing allocation for the next fiscal year. The allowed number of residential units shall be allocated to each of the thirteen (13) planning areas established in the county Land Use Element of the general plan (see Figure 4). In its deliberations, The Board of Supervisors shall adopt findings that consider, at a minimum, the following factors:

- resource availability
- jobs/housing balance
- service availability and adequacy
- meeting established goals for low and moderate income housing
- settlement pattern policy

The setting of a countywide growth rate is foreseen to become a function of the proposed County Regional Growth Management Agency (See Recommendation I). The Committee strongly urges that the cities in San Luis Obispo County follow the example of the Board of Supervisors.

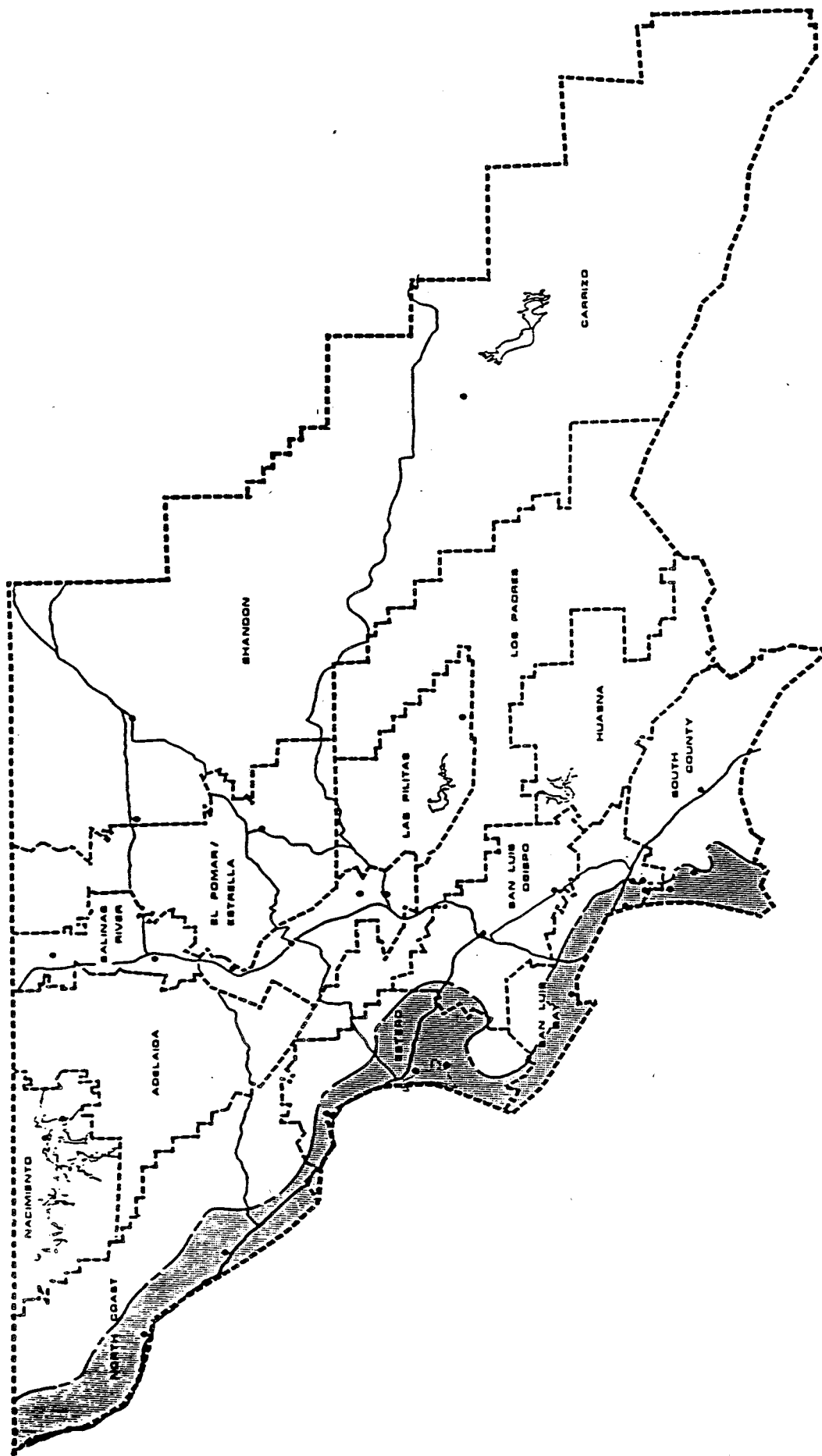


FIGURE 4

## COASTAL ZONE & PLANNING AREAS

#### RECOMMENDATION IV: DEVELOPMENT OF A LONG-RANGE SETTLEMENT PATTERN STRATEGY

The Board of Supervisors should enact interim ordinances placing a temporary moratorium on the processing of antiquated (substandard) subdivisions and further parcel splits of lands in rural areas.

After undertaking a study to review prior rural land use policies and directions, the Board should prepare a settlement pattern policy for future rural land use decisions with accompanying mechanisms for implementing this policy, including, but not limited to, the establishment of a Transfer of Development Credit (TDC) program, and a residential cluster program.

Once the County Regional Growth Management Authority is established, the settlement pattern policy for unincorporated County lands shall be integrated with settlement pattern policies of the Regional Authority for all jurisdictions.

#### RATIONALE FOR DEVELOPMENT OF A LONG-RANGE SETTLEMENT PATTERN STRATEGY

- a. Rural lands are currently in demand for non-agricultural uses, especially residential. This has resulted in competition and conflicts between agricultural activities and the new activities. Common agricultural practices are curtailed because they may impact residential areas.
- b. The cattle and dry farming sectors are on the decline. The economic value of more intense crop production is equal to that of cattle and dry farming but uses only approximately 10% of the same land base. Consequently, the land has and will continue to have greater economic value for non-agricultural uses, particularly residential. We can no longer take such valued amenities as "rural character" and "open space" for granted given these competing forces.
- c. There has been extensive parcellization (large parcels divided into smaller parcels and sold off separately) and subdividing (dividing a parcel specifically for development purposes) of rural lands. Over time, this has resulted in serious service deficiencies, an increase in service costs, and deterioration of the traditional rural landscape and lifestyle. What we are seeing is an increase in urban and suburban sprawl. Our urban reserve lines are dissipating; our towns are beginning to look like cities in waiting.
- d. There are thousands of legal lots in haphazardly located antiquated subdivisions that if developed in their current configuration would likewise create service, resource and amenity problems. The Planning Department has recently received an inordinate increase in the number of applications to develop these subdivisions. The implications of developing these lots must be evaluated.

- e. The Board of Supervisors has not adopted an Agricultural Element for the County General Plan. Until one is adopted, many of the issues concerning the utilization of our production agricultural lands and other open space and rural lands cannot be appropriately addressed.
- f. Preferential property taxation methods, such as the Williamson Act, although effective, cannot alone prevent the conversion of agricultural land into urban or rural residential development. Similarly, policies aimed at discouraging low density urban sprawl by requiring large minimum parcel sizes have instead spread densities outward and taken more land out of agricultural production.
- g. The County General Plan and Land Use Ordinance need to be augmented as vehicles for shaping a desired long range settlement pattern for rural lands. Existing planning instruments rely primarily on regulatory means for implementation and are too passive in shaping development. Communities often react to growth on a project by project basis. Our conception of future development patterns appears to be whatever is defined by projects currently on the drawing board.

#### GOALS FOR DEVELOPMENT OF A SETTLEMENT PATTERN STRATEGY

WHAT IS NEEDED IS A LONG RANGE VISION WITH APPROPRIATE MECHANISMS FOR SHAPING GROWTH THAT ATTRACT LAND OWNERS AND ALLOW REDISTRIBUTION OF GROWTH BETWEEN RURAL AND URBAN SETTINGS.

We, as government officials and residents of San Luis Obispo County, need to take a step back and examine the implications of the actions and policies we have been pursuing. Based upon an assessment of these cumulative land use decisions, the County would determine a long-term settlement pattern and implementation strategy which avoids the problems and conflicts identified above. In addition, we would shape a proactive approach to rural land development and to the distribution of new growth among jurisdictions within the region.

The strategy that emerges must, however, provide for equitable solutions to encourage future development to conform to the desired settlement pattern. Our goal is to maximize public and private equity (avoiding the windfall/wipeout syndrome\*) by providing mechanisms for transferring development credits from areas where development is less desirable to those we collectively have determined is in the best interests of all our citizens.

Our rural lands are a limited resource. The Committee envisions an alternative future for rural lands other than what is being created through past and current policies and land use decisions. This future would entail:

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\* See Appendix D, "Planning Strategies to Prevent or Mitigate Wipeout Challenges", by Madelyn Glickfeld, for a full description of the windfall/wipeout syndrome and approaches for transferring development credits.

- mitigating poor, past land use decisions by directing new rural residential development more into higher density clusters and less into single, small parcels;
- identifying lands valued for agricultural production;
- containing the size of some existing villages, expanding others and creating new villages where appropriate;
- creating permanent open space;
- preserving environmentally sensitive lands.

The future viability of our agricultural lands, unique landscapes, resources, and service amenities are critical. The settlement pattern strategy must be formulated to enhance and guarantee continued high standards in all aspects of community life.

#### RECOMMENDED APPROACH

The Committee has outlined a three stage approach for development of a long-range settlement pattern strategy. Stage 1 imposes a temporary moratorium on issuing building permits in antiquated subdivisions and approval of new subdivisions in rural areas, while rural land use policies are assessed, parcels inventoried and critical lands identified. During Stage 2, the information developed in Stage 1 will be evaluated to define a rural lands settlement pattern and establish mechanisms for re-distributing development in accordance with the pattern. In Stage 3, the actual implementation of the strategy will begin. As soon as is feasible, the strategy will be extended to include all jurisdictions in the County under the aegis of the County Regional Growth Management Authority.

The Board of Supervisors should take the actions described below to begin to implement the process of assessing current policies and fashioning a settlement pattern for future growth in the County.

#### Stage I (to assess the cumulative consequences of past actions)

- A. The Board should adopt an interim ordinance placing a temporary moratorium on issuing building permits on lots in antiquated subdivisions.
- B. The Board should adopt an interim ordinance placing a temporary moratorium on further approval of subdivision and parcel maps in rural areas outside urban and village reserve lines (except for lot line adjustments that will not result in the creation of additional residential units).



- C. The Board should initiate a study that examines all prior rural land use decisions (subdivisions, parcel maps, antiquated subdivisions) with respect to the following:
1. Extent to which small parcel residential development is creating a land consumptive pattern;
  2. Extent to which parcellization and recent land use decisions have created a non-agricultural development pattern or have interfered with agricultural production and the agricultural economy.
- D. In addition, the study would identify lands that are valued for the following:
1. production agriculture;
  2. open space;
  3. viewshed/aesthetics, including critical landscapes (e.g. The Morros);
  4. rural character and separation of development;
  5. watershed protection;
  6. environmental protection, including habitat preservation.
- E. The study would then evaluate the impact on valued lands if current market forces and general plan policies remained unchanged. Impacts on resources, services and amenities would likewise be examined.
- F. The County would inventory parcels that would be affected by changes in land use policy as a prelude to developing a development credit transfer program.

Stage II (Define the settlement pattern we wish to promote and mechanisms for implementation)

Recommend completion by one year after imposition of the moratorium.

- A. Based on the review completed in Stage 1, the County will define a settlement pattern strategy for rural lands outside urban and village reserve lines that establishes:
1. lands valued for agricultural production;
  2. open space lands to be preserved;
  3. lands where minimal development has occurred or would be allowed;
  4. parcel that will become sending areas (assumption is that these lands will remain permanently undeveloped except for agricultural and recreation activities and any remaining residential allowance).
  5. parcels that will become receiving areas (areas where it is determined that some well-defined residential development is preferred).

- B. For sending areas, devise criteria for assigning development credits to property impacted by the new settlement pattern policy to ensure equitable compensation to owners.

This approach assumes that not all land that is similarly defined or located has equal development potential or equal value to the general public. Development credits assigned to these lands can be purchased from owners.

- C. For receiving areas, devise criteria for assigning credits that would need to be purchased from sending areas.

This approach assumes that the county is under no obligation to re-zone or otherwise increase the number of development credits on any parcel of land beyond those currently allowed by the general plan. Owners will be required to purchase the necessary credits.

- D. Carry out a market study on the feasibility of instituting mechanisms that will be necessary to implement new policies, compensate land owners and encourage participation in the program (e.g. TDCs, clusters, in lieu fees, other market incentives).
- E. Set up a Transfer of Development Credit (TDC) mechanism with an initial capital fund to get it started. Development credits assigned to properties become a marketable commodity that can be bought and sold on the open market. Initially, overall management responsibility would rest with the County. This would ultimately be transferred to the County Regional Growth Management Authority.

Stage III (Actual program implementation; moving towards a regional approach)

The actions in Stage III imply that solutions for directing growth requires cooperation between the County and cities. Redistribution of growth between rural and urban areas realistically requires a regional approach with incentives for participation by the cities.

- A. Amend the County General Plan and Land Use Ordinance to reflect the new settlement pattern strategy.
- B. Adopt an Agricultural Element to the County General Plan. The Agricultural Element should distinguish between production agricultural, open space and other rural lands.
- C. Assign implementation of settlement pattern program mechanisms to the appropriate department or agency in county government until the Regional Authority is in place and operational.
- D. Once the County Regional Growth Management Agency is operational, extend the long range settlement pattern to encompass county and city jurisdictions.
- E. Implement countywide programs/mechanisms under the direction of joint or cooperative agency involvement.
- F. Lift the moratorium.

**FUNDING**

- 1. The Board of Supervisors should fund the studies, work program and Transfer of Development Credit (TDC) mechanism outlined in Stages I and II using County General Funds.
- 2. Consideration should be given to the allocation of portions of development fees, TDC and cluster administrative fees to the operation of programs in Stage III.

**RECOMMENDATION V: ADDRESSING THE JOBS/HOUSING  
IMBALANCE AND AFFORDABLE HOUSING NEEDS**

The Board of Supervisors should adopt a program that includes the establishment of a housing authority and integrates future decision-making on resource management, transportation, economic development and open-space needs with consideration of jobs/housing proximity and affordable housing needs.

**RATIONALE FOR ADDRESSING THE JOBS/HOUSING IMBALANCE AND AFFORDABLE HOUSING NEEDS**

- a. The steady appreciation of housing and land costs has pushed the purchase and rental of housing out of the reach of more and more households.
- b. A consequence of this upward spiral is the tendency for affordable housing to be located in more remote areas of the county, resulting in longer work commutes.
- c. San Luis Obispo county has experienced a steady growth in its tourist-based industry with a resulting increase in the number of lower-paying tourist and service jobs. Unfortunately, housing is rarely available near the places of employment. Nor are there any directives or incentives for employers or government agencies to seek ways to ensure the provision of adequate housing.

**GOALS FOR PROGRAMS TO ADDRESS THE JOBS/HOUSING IMBALANCE AND AFFORDABLE HOUSING NEEDS**

Our goal is to provide quality living environments for all economic groups in our community. This may of necessity require some form of subsidy; but at the very minimum it will require a concerted effort on the part of government agencies, the business community and concerned citizens if affordable housing shortages and the job/housing imbalance are to be ameliorated.

It is also highly desirable for the supply of affordable housing to be dispersed throughout the County, providing a variety of living environments (urban and rural) and a variety of housing types (single family, multiple units).

The provision of affordable housing needs to be integrated with other initiatives undertaken by the County to manage growth including the development of a long-range settlement pattern, establishment of a regional growth management authority and economic development strategies.

## RECOMMENDED APPROACH

1. The Board of Supervisors should implement an affordable housing program by enacting the following policies:
  - a. Create a countywide Housing Authority either by establishing a new organization or cooperating with the City of San Luis to expand its existing Housing Authority. The Housing Authority would both initiate its own housing development program and undertake cooperative ventures with private enterprise.
  - b. Establish an annual allotment of building permits for low and moderate income housing units that is within, not in excess of, the annual housing allocation cap and that meets the unincorporated County's share of affordable housing.
  - c. Work with each jurisdiction in the county to accept its proportionate share of affordable housing through a combination of accommodating actual facilities and accepting in-lieu fees until such an approach is formally implemented by the County Regional Growth Management Authority.
2. The jobs/housing balance problem can best be addressed on a regional, countywide approach. We recommend that the County Regional Growth Management Authority, once it is established, consider:
  - a. devising an investment strategy to develop housing in communities with more jobs than housing;
  - b. developing more job opportunities in communities that have more housing than jobs;
  - c. assessing the regional implications of jurisdictional actions in the context of the jobs/housing relationship.

## POSSIBLE FUNDING STRATEGIES

Below is a list of possible funding strategies that have been developed by the Committee. Many of these suggest amendments to ordinances or additional fees or taxes that are connected with development activities. The Committee believes that some combination of these approaches would go a long way in expediting the creation of new affordable housing units. The Committee strongly feels that whatever mechanisms are selected, there should be provisions that retain the created or subsidized units in the affordable housing stock for as long as possible.

The possible strategies include:

- a. amend county ordinances to require developers of commercial and office space to contribute in lieu fees to an affordable housing fund;
- b. amend county ordinances to require developers of housing units to devote a percentage of their units to low and moderate income housing stock, or else provide in lieu fees;
- c. earmark a portion of the motel/hotel bed tax for affordable housing construction/subsidies;
- d. create a revolving low-interest loan fund as a joint public-financial institution venture;
- e. provide preferential treatment in the review process and service hookups for affordable housing projects;
- f. provide fee waivers or reduced fees for affordable units;
- g. create development credit incentives for developers who furnish more than their required share of affordable housing;
- h. allocate a portion of fees charged for land use changes that provide windfall profits to the landowner to low-income housing construction/subsidies.

## RECOMMENDATION VI: IMPROVING INFRASTRUCTURE PLANNING

### RATIONALE

Reactive planning has resulted in our infrastructure fading into disrepair and failing to keep pace with growth.

Our road system appears haphazard, with Highway 101 being forced to double as a local street to accommodate traffic.

In some cases, new development has not paid its way. Financing mechanisms such as assessment districts are not always adequate for paying the true costs for improvements and paying for them when they are needed.

Since our residents cross geographic boundaries, a disproportionate share of the cost of maintaining roads is likely to fall on a jurisdiction that might not receive the designated revenues or may not have approved the development contributing to the impact.

Our current public transit system cannot meet demand given the growing imbalance between jobs and available, affordable housing.

### GOALS

The Board of Supervisors and each city council in San Luis Obispo County should adopt an Infrastructure Element of the General Plan that is consistent with an accepted local and regional growth management plan and is economically realistic.

New growth should be paying whatever share of the costs is associated with its impacts.

Public transit shall be a high priority in the region.

### RECOMMENDED APPROACH

1. Within two years, the Board of Supervisors should adopt an Infrastructure Element of the county General Plan for each community under the county's jurisdiction and identify concomitant funding mechanisms to implement this element.
2. As the Regional Authority comes on line, the County should work with other jurisdictions to coordinate development of their Elements.
3. Priority consideration should be given to the development of new improved public transit.

## RECOMMENDATION VII: PROMOTING ECONOMIC DIVERSITY AND JOB STABILITY

### RATIONALE

There is an imbalance in our county's economic base with too much emphasis on tourism and service-related jobs.

The speculative climate in San Luis Obispo County in recent years has attracted more and more outside investors and developers. Because of their work volume elsewhere, these firms are able to outbid our local contractors and builders. As a result, new construction proceeds, but the tax dollars generated leave the county. This breeds additional resentment among our residents who already are opposed to the scale and timing of our growth splurge.

### GOALS

Our goal for San Luis Obispo County is to sustain a level of economic diversity that is supportable by our resources and which can be complemented with adequate jobs and housing for our own residents.

Our additional goal is to continue to strive to improve the quality of jobs and variety of jobs that our residents can choose from, especially those that will encourage our children and grandchildren to remain here to settle here and thrive.

### RECOMMENDED APPROACH

1. The County should appoint an Economic Development Commission to assess how we can improve the quality and variety of jobs available to our residents.
2. The Board of Supervisors should adopt a policy of encouraging the use of local labor for future residential and commercial development projects and issue appropriate directives to responsible agencies and departments under the County's jurisdiction.



## CONCLUSIONS

The members of the Growth Management Advisory Committee have submitted these recommendations with the goal of ensuring that we the people of San Luis Obispo County and future generations can live in harmony with our environment and can guarantee the unique scenic beauty, rural character, healthful quality of life and varied life style options well into the 21st century.

Effective growth management requires the cooperation of many governmental entities, and the public. The San Luis Obispo County Board of Supervisors can provide invaluable leadership toward achievement of our goals for the future.

Poorly managed growth has seriously impacted the lives of the County's residents and has generated widespread concern. The Committee believes that future growth can be managed fairly and wisely without excessive costs and unnecessary bureaucracies. The Committee urges the Board of adopt these recommendations and to move forward as quickly as possible toward the goals of effective regional management of growth and development.

### Acknowledgements

The Committee's work has been facilitated by Alana Knaster of the Mediation Institute, without whom it would have been impossible for the Committee to reach consensus regarding its recommendations. Members of the Committee, vigorous advocates of diverse points of view, have managed to work together with a remarkable degree of cooperation. Debate was extensive and often heated, but always amicable and constructive. The Committee's recommendations are presented here as the consensus view of all the active members.

The issues related to growth management are complex and highly technical. The Committee could not have worked effectively without the information supplied by the County Planning Department and without the patient assistance of Bryce Tingle, Assistant Planning Director. The Committee would like to express its thanks to Mr. Tingle and the rest of the Planning Staff for their invaluable help.

